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April 1, 2008

Congressional Committees

Subject: Defense Infrastructure: DOD Funding for Infrastructure and Road Improvements Surrounding Growth Installations

The Department of Defense (DOD) is simultaneously implementing a number of force realignments that contribute to personnel growth at military installations throughout the United States. DOD plans to execute over 800 actions from the 2005 Base Realignment and Closure (BRAC) round, which entail relocating over 123,000 personnel. Concurrent with its BRAC 2005 actions, DOD is also implementing or planning to implement other extensive worldwide transformation initiatives, which include relocating about 50,000 soldiers primarily from Europe and Korea to the United States;¹ transforming the Army's force structure from an organization based on divisions to more rapidly deployable, brigade-based units (known as Army modularity); and increasing its active duty end strength by 92,000,² all of which will affect DOD's facilities infrastructure. These force realignments will result in dramatic growth at some DOD installations across the United States. Based on data provided by the services, the DOD Office of Economic Adjustment (OEA) had identified, as of January 2008, 20 locations where expected growth as a result of force realignments in fiscal years 2006 through 2012³ will adversely affect surrounding communities.

¹About 15,000 of these soldiers are included in the 123,000 personnel mentioned above. The Army plans to relocate the remaining soldiers in realignment actions not related to BRAC.

²The Army plans to seek an increase in its active duty end strength of 65,000 and the Marine Corps plans to seek an increase in active duty end strength of 27,000 over the next several years.

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The National Defense Authorization Act for Fiscal Year 2008⁴ mandated that we assess the impact on military installations caused by an increase in assigned forces or civilian personnel as a result of the 2005 BRAC or other force realignments. Our specific objectives were to (1) determine whether military facility requirements (including quality-of-life projects) will be met before the arrival of assigned forces and (2) determine whether DOD has programmed sufficient funding to mitigate community traffic congestion in accordance with the Defense Access Roads (DAR) program.

The DAR program provides a method for DOD to pay for public highway improvements required as a result of sudden or unusual defense-generated traffic impacts. According to DOD Transportation Engineering Program guidance, when the commander of a DOD installation determines that improvements to a public road are needed, it is the responsibility of that commander to bring deficiencies to the attention of the appropriate state or local transportation authority.⁵ In cases where the owning transportation authority cannot or will not correct the deficiency, the installation commander can request the improvements under the DAR program. Within DOD, the Military Surface Deployment and Distribution Command⁶ is responsible for determining whether such transportation projects meet the DAR program criteria and ensuring the proper execution of eligible projects. Projects are eligible for funding if they meet one of the following criteria:⁷

- A new access road to an installation is needed to accommodate a defense action.
- A defense action causes traffic to double.
- A new or improved access road is needed to accommodate a temporary surge in traffic to or from an installation because of a defense action.

³OEA is working with six additional installations that may be added to the list of growth installations.

⁴Pub. L. No. 110-181, § 2709 (2008).

⁵DOD Transportation Engineering Program, Washington, D.C., November 17, 2003.

⁶The Military Surface Deployment and Distribution Command is the DOD focal point for ensuring cooperation between DOD and civil authorities on defense use of public highways.

⁷Federal Highway Administration Federal-Aid Policy Guide nonregulatory supplement, December 9, 1991.

- A new or improved access road is needed to accommodate special military vehicles, such as heavy equipment transport vehicles.
- A replacement road is required for one closed because of military necessity.

If the Military Surface Deployment and Distribution Command determines that a request meets DAR program eligibility criteria, the services are responsible for requesting funding for those projects in their military construction appropriations.

Summary

While DOD has made progress in initiating construction of military facilities to accommodate growth, it is too early to determine whether all required facilities will be constructed prior to arrival of assigned forces because contracts must still be let, the progress of construction may affect timelines for the arrival of forces, and the services are still requesting or expecting to request \$6.4 billion in funding. At the 11 installations we reviewed, representing over 85 percent of expected population growth, the Army, Navy, and Marine Corps have received about \$7.3 billion for fiscal years 2006 through 2008 for growth-related construction projects, which is approximately 54 percent of the total estimated funding requirement for growth related construction at those installations through 2011. As of March 2008, at the 11 installations we reviewed contracts have been awarded for approximately \$4.1 billion—about 56 percent of the available funds—and base officials plan to award contracts for most of the remaining funds in fiscal year 2008. The services have requested or plan to request just under \$6.4 billion in funding to implement remaining growth: the services have requested about \$4.2 billion in fiscal year 2009, and plan to request \$2 billion in fiscal year 2010 and \$196 million in fiscal year 2011 for growth-related projects at the installations included in our review.

DOD has requested funding for off-base road improvements around growth installations for all projects that met the DAR program criteria and the DAR program office had already completed the assessment process at the time of our review. As of

March 2008, DOD had requested \$36.2 million for one project under the DAR program. In addition, four other projects totaling just over \$37.7 million were still being assessed by the installation or DAR program officials to determine whether they meet DAR eligibility criteria. Although other off-base road improvements around growth installations have also been identified, few of these projects meet the criteria for funding under the DAR program and consequently will need other sources of funds. Generally, state and local government support is the primary means by which these off-base road improvements to mitigate traffic congestion at growth installations are funded. At the time of our review, base officials estimated that state and local governments were funding or plan to fund just over \$657 million in growth related off-base road improvements around the 11 installations included in our review.

Scope and Methodology

We selected 11 of the 20 locations that DOD's OEA had identified that will experience significant growth as a result of BRAC and other major force realignments from fiscal year 2006 through fiscal year 2012. We chose the OEA-identified impact locations as a starting point because of OEA's position as DOD's primary source for assisting communities affected by defense actions, including base realignments and closures. The population at the 11 installations we selected is projected to increase by 25 percent or more and represents over 85 percent of the total estimated population growth across all 20 installations identified by OEA.⁸

To determine whether military facility requirements will be met before the arrival of assigned forces, we reviewed data on funding for planned growth implementation construction in fiscal years 2006 through 2011 for each of the 11 growth installations we evaluated. We analyzed these data to determine the progress of contract awards and estimated completion dates for planned construction projects.

⁸OEA is working with six additional installations that may be added to the list of growth installations.

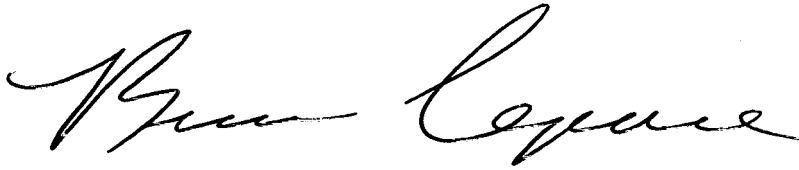
To determine whether DOD has programmed sufficient funding to mitigate community traffic congestion under the DAR program, we reviewed the military services' military construction budget requests for fiscal years 2006 through 2011 and interviewed officials from the 11 growth installations we selected to determine the extent to which DOD had programmed or planned to request funding for off-base road improvements and the extent to which these projects would be completed prior to the arrival of realigned personnel. We discussed our analysis with the Military Surface Deployment and Distribution Command at Fort Eustis, Virginia, and officials from each affected installation. Finally, we interviewed state and local officials from 10 of 11 of the affected communities to obtain their views on DOD efforts to mitigate any projected off-base traffic congestion related to the increase in base population. We conducted this performance audit from January 2008 through March 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Agency Comments

In commenting on a draft of this report, DOD provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the Secretaries of Defense, the Army, and the Navy and the Director, Office of Management and Budget. This report will also be available at no charge on our Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-4523 or leporeb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report were Mike Kennedy, Assistant Director; Frank Cristinzio; Julie Matta; and Robert Poetta.

A handwritten signature in black ink, appearing to read "Brian Lepore". The signature is fluid and cursive, with the first name "Brian" and last name "Lepore" clearly distinguishable.

Brian Lepore
Director, Defense Capabilities and Management

Enclosure

List of Committees

The Honorable Carl Levin
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The Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Daniel K. Inouye
Chairman
The Honorable Ted Stevens
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Subcommittee on Defense
Committee on Appropriations
House of Representatives

Enclosure: Briefing Slides



GAO Observations on DOD Funding for Military Infrastructure and Road Improvements Surrounding Growth Installations

Briefing to Congressional Committees

April 1, 2008



Briefing Outline

- Objectives, Scope, and Methodology
 - Background
 - Objective #1: Growth-Related Construction
 - Objective #2: Funding for Road Improvements under the Defense Access Road Program
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Objectives

- The 2008 National Defense Authorization Act mandated that GAO examine military installations significantly impacted by an increase in assigned forces or civilian personnel as a result of the 2005 Base Realignment and Closure (BRAC) round or other force realignments.
- Key questions:
 1. Will military facility requirements be met before the arrival of assigned forces?
 2. Has the Department of Defense (DOD) programmed sufficient funding to mitigate community traffic congestion in accordance with the Defense Access Road (DAR) program?

Scope and Methodology

- The Office of Economic Adjustment, DOD's primary activity for assisting communities adversely impacted by defense program changes, including base closures and realignment, identified 20 military installations where surrounding communities are expected to be significantly impacted by growth as a result of BRAC and other force structure initiatives.
- We selected 11 installations that are projected to grow by 25 percent or more, which represent over 85 percent of the total overall estimated growth.



Scope and Methodology

- To determine the extent to which military facility requirements (including quality of life) will be met before the arrival of assigned forces we reviewed
 - planned growth implementation construction projects and
 - data on the progress of contract award and project completion dates.
- To determine the extent to which DOD considered the impact of growth on off-base traffic we
 - reviewed military construction budget data and
 - interviewed DAR program, installation, and state and local officials.
- We conducted this performance audit from January 2008 through March 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



Background: DOD Installations Projected to Grow by 25 Percent or More

Facility	Fiscal year 2006 beginning population (10/1/2005)	Fiscal year 2013 beginning population (10/1/2012)	Estimated net gain in population	Percentage population gain
Fort Bliss, TX	19,500	46,500	27,000	138
Fort Belvoir, VA	19,600	45,200	25,600	131
Fort Riley, KS	14,900	25,200	10,300	69
Fort Lee, VA	13,000	20,100	7,100	55
Fort Sam Houston, TX	21,400	31,400	10,000	47
Fort Carson, CO	23,000	32,800	9,800	43
Fort Benning, GA	39,800	55,700	15,900	41
Marine Corp Base Quantico, VA	a	22,700	6,200	38
Fort Lewis, WA	34,600	47,500	12,900	37
Navy Medical Center Bethesda, MD	a	7,000	1,700	33
Fort Bragg, NC	55,800	72,000	16,200	29

Source: GAO analysis of Army Headquarters and Navy installation data.
 a Fiscal year 2006 beginning population data not available. Estimated net gain in population based on fiscal year 2007 beginning population of 16,500 at Marine Corps Base Quantico and a fiscal year 2008 beginning population of 5,200 at Navy Medical Center Bethesda.

Background: DAR Program

- The DAR program provides a method for DOD to pay for public highway improvements required as a result of sudden or unusual defense-generated traffic impacts.
- Projects may be eligible for funding under five criteria:
 - A new access road to a facility is needed.
 - A defense action causes traffic to double.
 - A new or improved access road is needed to accommodate a temporary surge in traffic due to a defense action.
 - A new or improved access road is needed to accommodate special military vehicles.
 - A road is needed to replace one closed for defense needs.
- Base commanders must request that off-base road improvements be assessed by the DAR program office against the eligibility criteria. The services use Military Construction Appropriation funds for DAR projects.



Objective #1: Growth Related Construction

- DOD has made progress in initiating construction of military facilities to accommodate growth.
 - It is too early to determine whether all required facilities will be constructed prior to the arrival of assigned forces because:
 - contracts must still be let;
 - progress of construction may affect time lines for the arrival of forces; and
 - only a portion of funding for growth related construction has been received.
-



Objective #1: Growth-Related Construction

- At the 11 installations we reviewed, the Army, Navy, and Marine Corps have received about \$7.3 billion in fiscal years 2006 through 2008 for growth-related construction projects, which is about 54 percent of the total estimated funding requirement for growth-related construction at those installations through fiscal year 2011.
- As of March 2008, at the 11 installations we reviewed contracts have been awarded for approximately \$4.1 billion—about 56 percent of the fiscal years 2006 through 2008 available funds. Base officials plan to award contracts for most of the remaining funds in fiscal year 2008.
- As of March 2008, the services are still requesting or expecting to request about \$6.4 billion in funding for growth related construction at the installations included in our review. This includes about \$4.2 billion requested for fiscal year 2009, and \$2.0 billion for fiscal year 2010 and \$196 million for fiscal year 2011 the services plan to request.

Objective #2: DAR Program Funding

- DOD has requested funding for off-base road improvements around growth installations for all projects that met the DAR program criteria and had completed the assessment process by the DAR program office at the time of our review.
- Other off-base road improvements around growth installations have also been identified. However, few of these projects meet the criteria for funding under the DAR program.

Objective #2: DAR Program Funding

- Four growth installations have identified the need for a DAR program project. As of March 2008, funds have been budgeted for only one project.
 - The Army's fiscal year 2009 budget request includes \$36.2 million for one growth-related road project to provide a new access road to Fort Belvoir, Virginia. If approved by Congress, base officials expect this project to be completed by the end of fiscal year 2010.
- Four installations have projects that base officials have submitted or are planning to submit in the future:
 - Fort Lee has a \$4.5 million project based on doubling of traffic.
 - Fort Bliss has a \$7.2 million project for a new access road.
 - Fort Carson has a \$1 million project for a new access road.
 - Fort Bragg has a \$25 million project for a replacement road.

Objective #2: Many Identified Off-Base Road Improvements Do Not Meet DAR Program Eligibility Criteria

- Although other off-base road improvements around growth installations have also been identified, few of these projects meet the criteria for funding under the DAR program and need other sources of funds. Fort Belvoir submitted 13 projects to the DAR program office. However, DAR program and base officials noted that some of these projects did not meet DAR program criteria because they were either not off-base projects, were transit projects (which historically have not been funded by the DAR program), did not meet the doubling of traffic eligibility criteria, or provide new access to the installation.
- Fort Lee officials submitted five projects to the DAR program office. However, only one met the DAR program criteria for doubling of traffic. Base officials stated that they submitted all projects because they wanted to demonstrate to the local community that they are willing try to meet part of the off-base transportation needs associated with defense-related growth.



Objective #2: State and Local Government Funding of Road Improvements

- Generally, state and local government support is the primary means by which these off-base road improvements to mitigate traffic congestion at growth installations are funded.
 - At Ft Bliss, the Texas Department of Transportation has approximately \$360 million of work in progress to improve a major roadway that allows traffic to bypass the Fort Bliss area. This project is expected to be completed by August 2010.
 - At Fort Carson, the Colorado Department of Transportation has three projects under way or planned, at a total estimated cost of \$70 million to mitigate increases in traffic at existing or new gates. All three projects are expected to be completed by 2010.
 - At Fort Benning, the Georgia Department of Transportation plans to begin approximately \$48 million in improvements to a major interstate that provides primary access to Fort Benning. This project is expected to be completed in the summer of 2009.
 - At Fort Lee, state and local governments are funding approximately \$6.8 million in road and intersection improvements to an access road. This project is expected to be completed by 2012.



Objective #2: State and Local Government Funding of Road Improvements (continued).

- At Ft Belvoir, state and local governments are funding an extension of a major roadway to provide access roads to a growth area of the base at an estimated cost of \$114 million. Fort Belvoir officials expect this project to be completed by the end of fiscal year 2010.
- At Fort Sam Houston, the Texas Department of Transportation and the City of San Antonio are funding approximately \$13.6 million in road and bridge improvements to a major base access road. This project is expected to be completed by 2011.
- At Navy Medical Center Bethesda, the state government is funding approximately \$45 million in improvements to off-base intersections.
- At Fort Riley, the Kansas Department of Transportation is expected to fund a project to widen a section of a major highway that provides access to the base.
- At Fort Bragg, the North Carolina Department of Transportation will provide funds for part of a project to move an access road off base. The DAR program office is negotiating with the state of North Carolina to determine the DOD share of funding for this project.

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